

04 Superannuation funds

OVERVIEW

For the 2009–10 income year:

- 377,693 funds lodged returns, a 4.8% increase from 2008–09
- funds reported total income of \$112.1 billion, a 2.4% decrease from 2008–09
- total fund deductions were \$35.5 billion, a 19.3% decrease from 2008–09
- funds were liable for \$7.2 billion in net tax, a 26.7% increase from 2008–09.

INTRODUCTION

This chapter provides information on superannuation funds, as reported on their income tax returns. Super funds hold contributions in trust and invest these contributions to provide retirement benefits for their members.

Broadly, the fund taxpayer population is divided into two categories: regulated and non-regulated funds. Only regulated funds (as defined under the *Superannuation Industry (Supervision) Act 1993*) qualify as complying super funds for tax purposes and receive tax concessions. Regulated funds can be one of six types:

- Australian Prudential Regulation Authority (APRA) regulated:
 - corporate or employer-sponsored funds
 - industry funds
 - retail funds
 - public sector funds
 - small APRA funds
- ATO regulated:
 - self-managed super funds.

Corporate, industry, retail and public sector funds are funds with more than four members, and may be either public or non-public offer funds. In this chapter, they have been aggregated into a category called 'large APRA fund types'. Most funds with fewer than five members are self-managed super funds. Small APRA funds are small funds (with less than five members) regulated by APRA.

As self-managed super funds lodge a different income tax return to other funds, their income and deduction tables are presented separately in this chapter.

For more information about the super system, refer to chapter 15.

NEW FEATURES AND INFORMATION

Statistics for the 2009–10 income year reported in this chapter may have been affected by the following changes:

- changes to the taxation of financial arrangements (TOFA)
- additional information required regarding super co-contributions
- reductions to concessional contributions caps.

The following new labels were added to the 2010 fund tax return:

- Total TOFA gains (item 16H)
- Total TOFA losses (item 16I)
- TOFA transitional balancing adjustment (item 16J).

FUND RETURNS

For the 2009–10 income year, 377,693 funds lodged returns, representing a 4.8% increase from 2008–09. Self-managed super funds were the most common type of fund, accounting for 98.8% of all funds and increasing by 5.0% during 2009–10. However, APRA regulated funds decreased in number during 2009–10.

Table 4.1 All funds, by type, 2008–09 and 2009–10 income years

Fund type	2008–09 ¹		2009–10 ¹	
	No.	%	No.	%
Self-managed super fund	355,435	98.6	373,195	98.8
Small APRA fund	4,287	1.2	3,899	1.0
Large APRA fund types ²				
Corporate fund	183	0.1	161	0.0
Industry fund	57	0.0	55	0.0
Retail fund	147	0.0	138	0.0
Public sector fund	37	0.0	33	0.0
Total large APRA fund types ³	424	0.1	387	0.1
Non-regulated fund	142	0.0	121	0.0
Other ⁴	86	0.0	91	0.0
Total³	360,374	100.0	377,693	100.0

1 Data for the 2008–09 and 2009–10 income years includes data processed up to 31 October 2010 and 31 October 2011 respectively.

2 This term should not be confused with 'large funds', which refers to funds with income equal to or more than \$100 million but less than \$250 million.

3 Totals may differ from the sum of the components due to rounding.

4 Includes funds that nominated 'other' on their tax return, approved deposit funds and pooled super trusts.

Box 4.1 Fund size, by total income

For the purposes of this chapter:

Total income is the amount a fund or self-managed super fund declared at item 10V, on page 2 of the 2010 fund return.

Loss/nil funds have a total income equal to or less than \$0.

Micro funds have a total income equal to or more than \$1 but less than \$2 million.

Small funds have a total income equal to or more than \$2 million but less than \$10 million.

Medium funds have a total income equal to or more than \$10 million but less than \$100 million.

Large funds have a total income equal to or more than \$100 million but less than \$250 million.

Very large funds have a total income equal to or more than \$250 million.

Micro funds accounted for 98.4% of the total number of funds in 2009–10. Small, medium, large and very large funds accounted for less than 0.2% of the total number of funds, while 1.4% of funds had total income equal to or less than \$0.

Table 4.2 All funds, by size, 2008–09 and 2009–10 income years

Fund size	2008–09 ¹		2009–10 ¹	
	No.	%	No.	%
Loss/nil	5,705	1.6	5,369	1.4
Micro	354,157	98.3	371,826	98.4
Small	246	0.1	250	0.1
Medium	159	0.0	144	0.0
Large	44	0.0	37	0.0
Very large	63	0.0	67	0.0
Total²	360,374	100.0	377,693	100.0

1 Data for the 2008–09 and 2009–10 income years includes data processed up to 31 October 2010 and 31 October 2011 respectively.

2 Totals may differ from the sum of the components due to rounding.

FUND INCOME

For the 2009–10 income year, funds reported total income of \$112.1 billion, a 2.4% decrease from 2008–09. Although large APRA funds represent 0.1% of the total number of funds, they accounted for 69.8% of total fund income.

Table 4.3 All funds total income, by fund type, 2008–09 and 2009–10 income years

Fund type	\$m	2008–09 ¹ %	\$m	2009–10 ¹ %
Self-managed super fund	31,939	27.8	26,205	23.4
Small APRA fund	180	0.2	124	0.1
Large APRA fund types ²				
Corporate fund	9,498	8.3	9,504	8.5
Industry fund	30,616	26.7	33,188	29.6
Retail fund	18,475	16.1	16,987	15.2
Public sector fund	20,141	17.5	18,497	16.5
<i>Total large APRA fund types³</i>	<i>78,729</i>	<i>68.5</i>	<i>78,176</i>	<i>69.8</i>
Non-regulated fund	4	0.0	3	0.0
Other ⁴	4,019	3.5	7,555	6.7
Total³	114,872	100.0	112,063	100.0

1 Data for the 2008–09 and 2009–10 income years includes data processed up to 31 October 2010 and 31 October 2011 respectively.

2 This term should not be confused with 'large funds', which refers to funds with income equal to or more than \$100 million but less than \$250 million.

3 Totals may differ from the sum of the components due to rounding.

4 Includes funds that nominated 'other' on their tax return, approved deposit funds and pooled super trusts.

The total income of APRA regulated funds increased by 3.5% from 2008–09 to 2009–10. The main income source for APRA regulated funds was assessable employer contributions, which accounted for 65.7% of total income. Net foreign income increased by almost \$2.5 billion in 2009–10, a rise of 53.5% from 2008–09.

Table 4.4 APRA and other¹ fund income, by source, 2008–09 and 2009–10 income years

Source of income	No.	2008–09 ² \$m	No.	2009–10 ² \$m
Total assessable contributions	1,420	47,554	1,248	48,316
= Assessable employer contributions	1,268	56,393	1,145	56,447
+ Assessable personal contributions	438	2,817	385	3,424
+ No-TFN quoted contributions	184	426	180	392
– Contributions excluded by trustee and pre-1 July 1988 funding credits	7	541	6	654
– Transfer of liability to life insurance company or PST	37	11,540	38	11,293
Net foreign income	4,054	4,636	3,475	7,116
Trust distributions other amounts	4,086	4,364	3,721	5,836
Franked dividend amount	3,834	3,007	3,490	2,596
Gross interest	4,752	2,836	4,360	2,551
Trust distributions franked amount	3,711	2,294	3,125	2,330
Trust distributions franking credit	3,712	1,874	3,164	1,272
Dividend franking credit	3,834	1,268	3,486	1,101
Trust distributions unfranked amount	3,318	1,146	2,819	552
Unfranked dividend amount	2,698	381	2,643	417
Gross rent and other leasing and hiring income	96	227	87	238
Net capital gain	805	74	515	60
Gross distribution from partnerships	9	43	9	50
Transfers from foreign funds	9	6	12	3
Australian franking credits from a New Zealand company ³	61	1	8	..
Other income ⁴	2,448	13,221	2,974	13,419
Total⁵	4,852	82,932	4,429	85,858

¹ Includes funds that nominated 'other' on their tax return, and non-regulated funds.

² Data for the 2008–09 and 2009–10 income years includes data processed up to 31 October 2010 and 31 October 2011 respectively.

³ '..' means rounded to zero but not zero.

⁴ Other income is composed of the following labels: other income, gross payments where ABN not quoted, forestry managed investment schemes income, assessable income due to changed tax status of fund and net non-arm's length income (subject to 45% tax rate).

⁵ Components do not add to the total number of taxpayers as taxpayers may declare more than one income source. Totals may differ from the sum of the components due to rounding.

The total income of self-managed super funds decreased by 18.0% from 2008–09 to 2009–10, largely due to the decrease in assessable contributions. The main income source for self-managed super funds was employer contributions, accounting for 23.2% of total income. Gross interest decreased by 22.5%, while net capital gains grew by 40.3%.

Table 4.5 Self-managed super fund income, by source, 2008–09 and 2009–10 income years

Source of income	No.	2008–09 ¹ \$m	No.	2009–10 ¹ \$m
Total assessable contributions	226,928	13,471	230,794	8,565
= Assessable employer contributions	190,536	9,223	194,836	6,081
+ Assessable employee contributions	57,222	4,247	54,893	2,484
+ No-TFN quoted contributions ²	122	1	31	..
– Transfer of liability to life insurance company or PST ²	44	..	42	..
Gross interest	324,551	4,762	343,475	3,690
Franked dividend amount	226,762	3,905	239,924	3,631
Gross rent and other leasing and hiring income	59,195	2,450	64,444	2,831
Gross trust distributions	191,957	2,682	198,781	2,478
Net capital gain	59,422	1,494	60,676	2,096
Dividend franking credit	226,724	1,672	239,874	1,554
Unfranked dividend amount	161,825	320	174,900	411
Net foreign income	155,158	716	159,699	341
Gross distribution from partnerships	3,823	92	4,020	101
Forestry managed investment scheme income	494	6	659	8
Transfers from foreign funds	49	13	43	2
Total net non-arm's length income	74	1	99	2
Assessable income due to changed tax status of fund	62	5	67	1
Gross payments where ABN not quoted ²	150	1	130	..
Australian franking credits from a New Zealand company ²	515	..	629	..
Other income	36,615	348	39,460	495
Total³	349,844	31,939	367,953	26,205

1 Data for the 2008–09 and 2009–10 income years includes data processed up to 31 October 2010 and 31 October 2011 respectively.

2 '..' means rounded to zero but not zero.

3 Components do not add to the total number of taxpayers as taxpayers may declare more than one income source. Totals may differ from the sum of the components due to rounding.

FUND DEDUCTIONS

Total deductions for the 2009–10 income year were \$35.5 billion, a 19.3% decrease from 2008–09. Industry funds had the largest decrease in deductions, falling by \$4.5 billion, or 40.7%, from 2008–09.

Table 4.6 All funds total deductions, by fund type, 2008–09 and 2009–10 income years

Fund type	2008–09 ¹		2009–10 ¹	
	\$m	%	\$m	%
Self-managed super fund	12,298	28.0	12,375	34.9
Small APRA fund	91	0.2	73	0.2
Large APRA fund types ²				
Corporate fund	3,383	7.7	2,049	5.8
Industry fund	11,045	25.1	6,554	18.5
Retail fund	6,320	14.4	6,506	18.3
Public sector fund	10,066	22.9	6,819	19.2
<i>Total large APRA fund types³</i>	<i>30,815</i>	<i>70.1</i>	<i>21,928</i>	<i>61.8</i>
Non-regulated fund	4	0.0	3	0.0
Other ⁴	765	1.7	1,129	3.2
Total³	43,973	100.0	35,506	100.0

¹ Data for the 2008–09 and 2009–10 income years includes data processed up to 31 October 2010 and 31 October 2011 respectively.

² This term should not be confused with 'large funds', which refers to funds with income equal to or more than \$100 million but less than \$250 million.

³ Totals may differ from the sum of the components due to rounding.

⁴ Includes funds that nominated 'other' on their tax return, approved deposit funds and pooled super trusts.

Exempt current pension income was the most significant APRA regulated fund deduction for 2009–10, accounting for 35.2% or \$8.2 billion of total deductions. This represented a slight decrease from 2008–09. Other deductions decreased from 2008–09 to 2009–10 by 61.8% as a large amount in 2008–09 (\$13.6 billion) was due to substantial foreign exchange losses caused by the global financial crisis.

Table 4.7 APRA and other¹ fund deductions, by type, 2008–09 and 2009–10 income years

Type of deduction	2008–09 ²		2009–10 ²	
	No.	\$m	No.	\$m
Exempt current pension income	2,590	8,219	2,499	8,150
Death or disability premiums	549	4,089	528	4,169
Management and administration expenses	2,965	2,669	2,853	2,923
Investment expenses	244	2,518	241	1,590
Death benefit increase	128	369	149	478
Salary and wages	42	98	150	460
Tax losses deducted ³	111	44	41	112
Deduction for decline in value of depreciating assets	68	25	67	35
Capital works deductions	22	10	25	12
Interest expenses within Australia	39	4	31	1
Small business and general business tax break ⁴	8	..	7	..
Other deductions ⁵	2,790	13,627	2,007	5,200
Total⁶	4,847	31,675	4,429	23,132

1 Includes funds that nominated 'other' on their tax return, and non-regulated funds.

2 Data for the 2008–09 and 2009–10 income years includes data processed up to 31 October 2010 and 31 October 2011 respectively.

3 Also referred to as 'tax losses recouped'.

4 '..' means rounded to zero but not zero.

5 Other deductions is composed of the following labels: other deductions, interest expenses overseas and forestry management investment scheme deduction.

6 Components do not add to the total number of taxpayers as taxpayers may claim more than one type of deduction. Totals may differ from the sum of the components due to rounding.

Exempt current pension income was also the most significant self-managed super fund deduction for 2009–10, accounting for 82.9% or \$10.3 billion of total deductions.

Table 4.8 Self-managed super fund deductions, by type, 2008–09 and 2009–10 income years

Type of deduction	No.	2008–09 ¹ \$m	No.	2009–10 ¹ \$m
Exempt current pension income	132,818	10,218	151,314	10,261
Management and administration expenses	274,698	709	288,993	713
Investment expenses	96,600	478	103,290	485
Death or disability premiums	47,351	198	53,545	243
Interest expenses within Australia	28,242	107	24,749	138
Approved auditor fees	161,538	106	184,602	114
Deduction for decline in value of depreciating assets	21,250	57	22,595	64
Tax losses deducted ²	6,127	40	7,939	54
Capital works deductions	6,666	30	7,160	33
Death benefit increase	292	7	400	11
Forestry managed investment scheme deductions	878	15	588	4
Interest expenses overseas	750	2	707	3
Small business and general business tax break ³	99	..	77	1
Other deductions	67,935	331	69,035	252
Total⁴	344,813	12,298	364,478	12,375

1 Data for the 2008–09 and 2009–10 income years includes data processed up to 31 October 2010 and 31 October 2011 respectively.

2 Also referred to as 'tax losses recouped'.

3 '..' means rounded to zero but not zero.

4 Components do not add to the total number of taxpayers as taxpayers may claim more than one type of deduction. Totals may differ from the sum of the components due to rounding.

FUND NET TAX

In 2009–10, total fund net tax was \$7.2 billion, an increase of 26.7% from 2008–09. Industry funds accounted for \$3.2 billion, or 44.6%, of the total net tax, and also recorded the largest increase, growing by \$1.2 billion. Meanwhile net tax of self-managed super funds decreased by 71.4%, or \$719 million.

Table 4.9 All funds net tax, by fund type, 2008–09 and 2009–10 income years

Fund type	No.	2008–09 ¹ \$m	No.	2009–10 ¹ \$m
Self-managed super fund	331,214	1,006	345,425	287
Small APRA fund	4,163	–8	3,754	–9
Large APRA fund types ²				
Corporate fund	170	685	147	898
Industry fund	55	1,977	54	3,209
Retail fund	127	943	122	807
Public sector fund	37	934	33	1,312
Total large APRA fund types ³	389	4,538	356	6,226
Non-regulated fund ⁴	42	..	36	..
Other ⁵	74	145	81	692
Total³	335,882	5,681	349,652	7,197

1 Data for the 2008–09 and 2009–10 income years includes data processed up to 31 October 2010 and 31 October 2011 respectively.

2 This term should not be confused with 'large funds', which refers to funds with income equal to or more than \$100 million but less than \$250 million.

3 Totals may differ from the sum of the components due to rounding.

4 '..' means rounded to zero but not zero.

5 Includes funds that nominated 'other' on their tax return, approved deposit funds and pooled super trusts.

Box 4.2 Calculating net tax for all fund types¹

Net tax for all fund types is calculated as:

	Total assessable income (item 10V – excludes gross foreign income)
less	Total deductions (item 11N)
<i>gives</i>	<i>Taxable income or loss</i> (item 12A)
apply	Fund type specific tax rate and no-TFN quoted contributions tax rate
<i>gives</i>	<i>Gross tax</i> (item 12B)
subtract	Foreign income tax credits, rebates/tax offsets (item 12C)
<i>gives</i>	<i>Tax payable</i> (item 12D)
subtract	Refundable credits ²
<i>gives</i>	Net tax

1 Items in brackets refer to fund and self-managed super fund income tax return labels.

2 Refundable franking credits (item 12F4), no-TFN tax offset (item 12F5), interest on no-TFN tax offset (item 12F6) and refundable national rental affordability scheme tax offset (item 12F7).

NOTE

Net tax does not equate to total tax payable. After the net tax is calculated, PAYG instalments raised, interest and other credit items are applied and supervisory levy added, to give the total tax payable or refundable.

Net tax paid by very large funds increased by 54.6%, or \$2.1 billion, from 2008–09. Very large funds were liable for 82.3% of net tax in 2009–10, compared with 67.4% in 2008–09.

Table 4.10 All funds net tax, by fund size, 2008–09 and 2009–10 income years

Fund size	2008–09 ¹		2009–10 ¹	
	No.	\$m	No.	\$m
Loss/nil ²	63	..	59	..
Micro	335,320	1,020	349,109	263
Small	236	28	241	20
Medium	156	371	139	380
Large	44	432	37	611
Very large	63	3,831	67	5,923
Total³	335,882	5,681	349,652	7,197

1 Data for the 2008–09 and 2009–10 income years includes data processed up to 31 October 2010 and 31 October 2011 respectively.

2 '..' means rounded to zero but not zero.

3 Totals may differ from the sum of the components due to rounding.

SOURCE OF FUND STATISTICS

The statistics in this chapter are sourced from 2009 and 2010 fund income tax returns processed by 31 October 2010 and 31 October 2011 respectively. The statistics reported are not necessarily complete as the proportion of tax returns processed by 31 October each year can vary. We recommend you exercise caution when comparing the statistics for the current year and previous years.

Statistics in the detailed tables have been updated for the 1996–97 to 2009–10 income years to include returns processed by 31 October 2011. These statistics cannot be compared to those in previous editions of *Taxation statistics*.

Copies of the fund income tax return and self-managed superannuation fund annual return forms are in the appendix. You can view or download them in PDF file format from the attached CD-ROM or from the online version of *Taxation statistics* on our website at www.ato.gov.au

FUND CHAPTER TABLES

The fund chapter tables are now on the attached CD-ROM and included in the online version of this publication on our website. You can now view or download all the chapter tables in Excel.

LIST OF FUND DETAILED TABLES

The following detailed tables are on the attached CD-ROM and included in the online version of this publication on our website. You can view or download all the detailed tables in PDF or Excel format.

To find out whether a particular item is included in a detailed table, refer to the fund tax detailed table index included on the attached CD-ROM and in the online version of this publication. The index lists the different items shown in the detailed tables and specifies which table they appear in.

Table 1 Selected items, by net tax, 2009–10 income year

This table shows the number of funds, taxable income and net tax broken down by ranges of net tax. The number, taxable income and net tax of non-taxable funds are also reported.

Table 2 Selected items for APRA regulated and other funds for income years 1988–89 to 2009–10

This table shows selected items from the fund tax return for income years 1988–89 to 2009–10. The number of records and amounts for most items are shown.

Table 3 Selected items for self-managed super funds for income years 1999–2000 to 2009–10

This table shows selected items from the self-managed super fund tax return for income years 1999–2000 to 2009–10. The number of records and amounts for most items are shown.

Table 4 Selected items, by taxable income, 2009–10 income year

This table shows the number of records and amounts for items funds declare on their fund tax return. Funds and the data are broken down by taxable income groupings.

- **Part A: Calculation statement items** – contains labels from item 12 ‘Income tax calculation statement’ on page 4 of the fund tax return, and on page 3 of the self-managed super fund tax return.
- **Part B: Income items** – contains income labels from item 10 ‘Income’ on page 2 of the fund and self-managed super fund tax returns.
- **Part C: Expense items and losses information** – contains expense labels from item 11 ‘Deductions’ on page 3 and losses labels from item 13 ‘Losses’ on page 4 of the fund and self-managed super fund tax returns.

❗ To meet privacy regulations, statistics for some items may not be included in the tables.

Table 5 Selected items, by size and balance date, 2009–10 income year

This table shows the number of funds, the number of funds with net tax payable and the amounts of their respective net tax, by different balance dates.

Table 6 Selected items, by total income, 2009–10 income year

This table shows the number of records and amounts for items that funds declare on their fund tax return. Funds and the data are ranged by total income.

- **Part A: Calculation statement items** – contains labels from item 12 ‘Income tax calculation statement’ on page 4 of the fund tax return, and on page 3 of the self-managed super fund tax return.
- **Part B: Income items** – contains income labels from item 10 ‘Income’ on page 2 of the fund and self-managed super fund tax returns.
- **Part C: Expense items and losses information** – contains expense labels from item 11 ‘Deductions’ on page 3 and losses labels from item 13 ‘Losses’ on page 4 of the fund and self-managed super fund tax returns.

Table 7 Fund contributions of individuals who lodged an income tax return, by taxable income, 2009–10 income year

- This table shows the number of records and amounts for employer contributions and personal contributed amounts declared on member contribution statements, and personal super contributions declared on individual tax returns. The data are broken down by ranges of individual taxable income.

❗ Page numbers refer to either the 2010 fund income tax return form or the 2010 self-managed super fund annual return form used by tax agents on behalf of their clients. Copies of these forms are in the appendix.

To meet privacy regulations, statistics for some items may not be included in the tables.